

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 541 - SB 873**

March 17, 2023

**SUMMARY OF BILL:** Authorizes a court to order the removal and destruction (expunction) of public records of a person who has been a party to a civil action related to collection of debt, monetary compensation for damages caused by a person's act or omission, or eviction. Requires, in order for a case to qualify for potential expunction, the following: (1) the action was dismissed with prejudice and a notice of appeal was not timely filed; (2) the action was dismissed without prejudice, but cannot be recommenced under state law, or; (3) a satisfaction of judgment was entered for the court's final judgment in the action.

Requires the person seeking such an expunction to file a petition and pay a \$100 fee to the clerk of the court. Establishes the procedures for the person and the courts by which such an expunction must be administered.

Requires the Administrative Office of the Courts (AOC) to, by September 1, 2023, create a simple form to enable a lay person to petition for such an expunction and make the form available on its website.

Effective upon becoming a law for the purpose of developing forms; effective September 1, 2023, for all other purposes.

**FISCAL IMPACT:**

**Increase Local Revenue – Exceeds \$1,260,900/FY23-24**

**Exceeds \$1,519,100/FY24-25 and Subsequent Years**

**Assumptions:**

- It is not known precisely how many such civil actions are filed across the state each year.
- According to the *Tennessee Judicial Weighted Caseload Study* performed by the Comptroller of the Treasury in FY19, from FY14-15 to FY18-19, there was an average of 30,382 civil filings in state circuit courts for categories including contract, debt, specific performance, damages, torts, medical malpractice, general civil, and real estate.
- The state courts are assumed to only represent 10 percent of cases statewide that would include general sessions courts. The total of such civil cases statewide is therefore assumed to be 303,820 cases (30,382 state cases x 10).

**HB 541 - SB 873**

- This number is not a precise representation of the number of civil cases that would be relevant under the proposed legislation. There are likely some cases that fall outside of these categories and some included in these categories that will not be affected. However, for the purposes of this analysis, it is assumed to be a close approximation.
- Of the estimated 303,820 annual cases, it is not known how many will meet the other requirements, nor how many people in such cases would file a petition for expunction.
- It is assumed that at least one person in five percent of the cases will become eligible to petition to have the records expunged and will choose to do so.
- The number of annual petitioners is therefore estimated to exceed 15,191 (303,820 cases x 5%)
- Each of these expected petitioners will be required to pay a \$100 fee to the local clerk of court.
- Therefore, the increase in local revenue each year related to the increase in petitions for expunction is estimated to exceed \$1,519,100 (15,191 petitioners x \$100).
- Because the proposed legislation has an effective date of September 1, 2023, it is assumed that only 83 percent of the annual impact will be realized in FY23-24. The full impact will be realized in FY24-25 and subsequent years.
- Therefore, the increase in local revenue is estimated to be \$1,260,853 (\$1,519,100 x 83%) in FY23-24.
- The increase in local revenue is estimated to be \$1,519,100 in FY24-25 and subsequent years.
- The AOC asserts that it can develop the required form and make it available on its website utilizing existing resources.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/jj